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NSA Declassification/Release Instructions on File

Economic Services Division

Committee on China

Minutes of the Twenty-First Meeting — 0930 hours, 10 February 1955)

Present: Messrs [REDACTED]

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Guests: Messrs. [REDACTED]

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& NSA 25X3

[REDACTED] Increasing emphasis will be placed on examining in depth the material aid and technical assistance being furnished to Communist China by the USSR and the satellites. This emphasis is a continuing intelligence target of major importance and will be of specific relevance to the existing Sino-Soviet trade paper and the forthcoming NIE on China.

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It was noted that concern continues to be expressed by our superiors over the paucity of Chinese language competence in ORR. D/S is probably in a more favorable position than most divisions, particularly since three analysts are now studying the [REDACTED]. However, it is hoped that eventually each branch will have at least one man specializing in the area and possessing or acquiring some language competence.

It is reported that a Federal Reserve System expert is planning a trip to Saigon and other Southeast Asia capitals. St/I is checking into the possibility of arranging for a briefing of this person prior to his departure.

News Items:

1. The preliminary findings by interested analysts on the NIE concerning Communist China's capability to mount an offensive against Formosa are as follows:

- a. The telecommunications facilities in the area are adequate.
- b. The transport facilities are a limiting factor, since there are no railroads and highways are inadequate. Harbors and coastal shipping are believed adequate. For short range movement of equipment and supplies to the embarkation points, coolie labor is available in ample supply and the Chinese are capable, as shown in Korea, of exploiting it effectively.

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News Items (Cont.)

2. There have been several developments since January 1 indicating the possibility of increasing Communist pressure on Laos.

a. Truck convoys have been noted moving from the Vang Vieng area to Dien Bien Phu, which is a known supply base from which the Viet Minh are believed to be supplying the Pathet Lao.

b. Some redeployment of Viet Minh forces along the Laotian border has been noted.

c. Roads are being improved between the Chinese border and Dien Bien Phu.

d. Viet Minh cadres are reported to be serving as officers among the Pathet Lao.

3. A Viet Minh news agency despatch states that two groups of railroad workers have met at Kep on the Vientiane-Nam Guan line. This may indicate completion of the line, or it could refer only to a section of the line.

4. Plans have been made for a survey to install VHF telecommunications nets in Thailand. A group of Thai Chinese is reported to have agreed to raise \$15,000,000 for this development. POA assistance is also being sought for the project.

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